



United States  
of America

# Congressional Record

PROCEEDINGS AND DEBATES OF THE *108<sup>th</sup>* CONGRESS, FIRST SESSION

WASHINGTON: Tuesday, November 25, 2003

## *Senate*

### MEDICARE PRESCRIPTION DRUG BILL

Mr. DORGAN: A vote in favor of this legislation, which is designed to add a prescription drug benefit to Medicare, is a very, very close call for me. There are some positive elements of this bill, and there are also some flaws that I am very concerned about. In weighing the good and the bad, however, I have decided to support this bill.

The final legislation will provide very generous prescription drug coverage for about one-third of the lowest income senior citizens and disabled Medicare beneficiaries who live in North Dakota. For those Medicare beneficiaries whose incomes are below 150 percent of the poverty level, they will receive a benefit that will cover nearly 95 percent of their drug costs.

However, for senior citizens with incomes above 150 percent of the poverty level, this prescription drug benefit will not be very attractive at all, in my judgment. There is a \$35 per month premium that will increase over time, a \$250 deductible that will grow to \$445 by 2013, and a period of time when seniors' drug expenditures reach \$2,250 and seniors will still be paying premiums but have no drug coverage at all. Only after spending a total of more than \$5,100 would Medicare beneficiaries receive catastrophic coverage of 95 percent for prescription drugs.

If this prescription drug benefit was a mandatory program, I would vote against it. Because it is optional,

I think many senior citizens with incomes above 150 percent of poverty will take a look at the benefit and decide it is not worth it. The one-third of our senior citizens with the lowest incomes will benefit from it.

In addition to providing generous coverage for the lowest income senior citizens, the other feature of this bill that I strongly support are the steps it takes to offer some fairness in Medicare's payments for rural hospitals, doctors and other health care providers.

Hospitals and physicians in rural states have found that their reimbursement rates under Medicare have put them at a serious disadvantage. If these lower reimbursement rates were to continue, the quality and access to health care delivered to rural citizens would diminish. Rural hospitals have to compete for the same doctors and nurses and use the same sophisticated medical equipment as urban hospitals, and yet their reimbursement rates have been dramatically lower. As a result, many of our North Dakota hospitals are in real financial trouble. This legislation begins the process of establishing some fairness in those reimbursement rates, and I strongly support that.

But there are also a number of provisions in this bill that I think are a mistake. First of all, this bill lacks provisions that would begin to contain the rising costs of prescription drugs. That is a dramatic failure.

For most senior citizens, the problem with prescription drugs is the steep rise in the prices of those prescription drugs. Unfortunately, the majority party bowed to the pressure of the pharmaceutical industry and failed to put any real cost containment in this bill. That is a serious mistake.

In addition, this bill includes provisions that have nothing to do with adding a prescription drug benefit to the Medicare program but that have the potential to do harm. The Health Savings Accounts established by this bill are at best a costly tax shelter for the wealthy and at worst could drive up costs for the traditional insurance market. Likewise, this bill is cluttered up with subsidies to private insurers and a phony demonstration program that adds additional costs to Medicare and could undermine the Medicare program itself if these provisions are not adjusted in the future.

As I sifted through all of these provisions, I concluded that providing nearly total prescription drug coverage for one-third of our senior citizens with the lowest incomes is a very important objective to achieve. Add to that the improvement in the reimbursement rates to strengthen rural hospitals and health care providers, and I believe that these two features warranted support for the bill.

But again, this bill is a close call because I think that those who have written it have created an optional program that is sufficiently unattractive to many senior citizens that they will elect not to sign up for this program.

My hope is that we can lock in the support in this bill for the nearly one-third of the senior citizens with the lowest incomes, address the reimbursement inequity for rural hospitals and doctors, and then come back in future legislation and do what should have been done with the rest of this bill.

That is, we need to add some real cost containment, fix the drug benefit so that senior citizens aren't paying premiums while they're getting no coverage, and dump the extraneous provisions that have nothing to do with adding prescription drug coverage to

Medicare.

In summary, I'm not pleased with this choice, but I know that if we do not commit the \$400 billion that we have now set aside for Medicare prescription drug coverage in the coming 10 years, that funding may not be available in the future. And I know that we may not get another opportunity to fix the reimbursement rates for rural hospitals in the near future.

So I will vote for this bill, but I do so with some real regret because this bill could have been so much better.